

A nonprofit corporation organized exclusively for educational purposes to operate a noncommercial educational broadcasting station presenting educational, cultural, and public interest programs is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

A nonprofit corporation organized exclusively for educational purposes to operate a noncommercial FM broadcasting station which presents educational, cultural, and public interest programs, has applied for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954.

In furtherance of its purposes, it broadcasts music, literary productions, news reports, lectures, and discussions on subjects of interest to the community. The organization's sources of income are contributions from individuals, corporations, exempt organizations, and local governmental agencies and the receipts from the sale of a monthly program guide. All of its disbursements are for the operating expenses of the radio station. The station sells no broadcasting time for commercial use.

The organization received a license from the Federal Communications Commission to operate a noncommercial educational FM broadcasting station. Section 73.503 of Telecommunications Regulations (47 CFR 73.503) states the licensing requirements for noncommercial educational FM radio stations and provides, in part, that such licenses will be issued only to a nonprofit educational organization when it shows that the station will be used for the advancement of an educational program and when no sponsored or commercial programs and announcements are transmitted.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for educational purposes.

The term 'educational' is defined in the Income Tax Regulations applicable to section 501(c)(3) of the Code as the instruction of the public on subjects useful to the individual and beneficial to the community. An example of an educational organization described in the regulations is one whose activities include public discussions, forums, lectures, panels, and other similar programs broadcast on radio and television with a full and fair exposition of the pertinent facts.

Accordingly, since the corporation is organized exclusively for educational purposes and, in fact, operates a noncommercial educational FM broadcasting station presenting educational, cultural, and public interest programs, it is exempt from Federal income tax under section 501(c)(3) of the Code.

An organization which considers itself to be within the scope of this Revenue ruling must, in order to establish exemption under

section 501(c)(3) of the Code, file an application on Form 1023, Exemption Application, with the District Director of the Internal Revenue for the internal revenue district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.